



Agency Information Collection Activities: Proposed Collection Renewal; Comment Request

[OMB No. 3064-0140; -0175]

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Notice and request for comment.

SUMMARY: The FDIC, as part of its obligations under the Paperwork Reduction Act of 1995, invites the general public and other Federal agencies to take this opportunity to comment on the request to renew the existing information collections described below (OMB Control No. 3064-0140 and - 0175). The notices of the proposed renewal for these information collections were previously published in the *Federal Register* on March 2, 2023, allowing for a 60-day comment period.

DATES: Comments must be submitted on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Interested parties are invited to submit written comments to the FDIC by any of the following methods:

- *Agency Website:* <https://www.fdic.gov/resources/regulations/federal-register-publications/>.
- *Email:* comments@fdic.gov. Include the name and number of the collection in the subject line of the message.
- *Mail:* Manny Cabeza (202-898-3767), Regulatory Counsel, MB-3128, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.
- *Hand Delivery:* Comments may be hand-delivered to the guard station at the rear of the 17th Street NW building (located on F Street NW), on business days between 7:00 a.m. and 5:00 p.m.

Written comments and recommendations for the proposed information collection should

be sent within 30 days of publication of this notice to

www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting "Currently under 30-day Review - Open for Public Comments" or by using the search function.

FOR FURTHER INFORMATION CONTACT: Manny Cabeza, Regulatory Counsel, 202-898-3767, mcabeza@fdic.gov, MB-3128, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

SUPPLEMENTARY INFORMATION:

Proposal to renew the following currently approved collection of information:

1. Title: Insurance Sales Consumer Protections

OMB Number: 3064-0140

Forms: None

Affected Public: Insured State nonmember banks and savings associations that sell insurance products; persons who sell insurance in or on behalf of insured State nonmember banks and savings associations.

Burden Estimate:

Summary of Estimated Annual Burden (OMB No. 3064-0140)					
Information Collection (Obligation to Respond)	Type of Burden (Frequency of Response)	Number of Respondents	Number of Responses per Respondent	Time per Response (HH:MM)	Annual Burden (Hours)
1. Insurance Sales Consumer Protections, 12 CFR 343 (Mandatory)	Third Party Disclosure (On Occasion)	1,101	1	05:00	5,505
Total Annual Burden (Hours):					5,505
Source: FDIC.					

General Description of Collection: Respondents must prepare and provide certain disclosures to consumers (e.g., that insurance products and annuities are not FDIC-insured) and obtain consumer acknowledgments, at two different

times: (1) Before the completion of the initial sale of an insurance product or annuity to a consumer; and (2) at the time of application for the extension of credit (if insurance products or annuities are sold, solicited, advertised, or offered in connection with an extension of credit). There is no change in the substance or methodology of this information collection. The decrease in burden is due solely to a decrease in the estimated number of respondents.

The disclosure requirements in this information collection apply to all FDIC-supervised IDIs that sell insurance products. According to recent Reports of Condition and Income (Call Report), there are currently 3,068 FDIC-supervised IDIs.¹ To estimate the number of IDIs that would be directly affected by this ICR, FDIC restricts the count to those IDIs that report income from the sale of insurance on their Call Reports. IDIs report income from insurance activities differently depending on which Call Report form they file. IDIs file Call Report form 051 if they have less than \$1 billion in total assets and do not have any foreign offices, and they file forms 031 or 041 otherwise. IDIs that file form 051 report income from insurance activities on Call Report schedule RI line 5(d) 2, while IDIs that file forms 031 or 041 report income from annuity sales, underwriting income from insurance and reinsurance activities, and other income from insurance activities on Call Report schedule RI lines 5(d) 3-5.

As of September 30, 2022, 321 FDIC-supervised IDIs reported non-zero values of income from annuity sales, underwriting income from insurance and reinsurance activities, or income from other insurance activities on Call Report forms 031 or 041. Another 780 FDIC-supervised IDIs reported non-zero values of income from insurance activities on Call Report form 051.² Accordingly, the estimated number

¹ FDIC Call Report data, September 2022.

² *Id.*

of respondents for this information collection is 1,101.³

2. Title: Interagency Guidance on Sound Incentive Compensation Policies

OMB Number: 3064-0175.

Forms: None

Affected Public: Insured state nonmember banks and state savings associations.

Burden Estimate:

Summary of Estimated Annual Burden (OMB No. 3064-0175)					
Information Collection (Obligation to Respond)	Type of Burden (Frequency of Response)	Number of Respondents	Number of Responses per Respondent	Time per Response (HH:MM)	Annual Burden (Hours)
1. Initial documentation: Interagency Guidance on Sound Incentive Compensation Practices, 75 FR 36395 (Voluntary)	Recordkeeping (Annual)	1	1	40:00	40
2. Revision of initial documentation: Interagency Guidance on Sound Incentive Compensation Practices, 75 FR 36395 (Voluntary)	Recordkeeping (Annual)	1,985	1	02:00	3,970
Total Annual Burden (Hours):					4,010
Source: FDIC.					

General Description of Collection: This Guidance helps promote that incentive compensation policies at insured state non-member banks do not encourage excessive risk-taking and are consistent with the safety and soundness of the organization. Under this Guidance, banks are encouraged to: (i) Have policies and procedures that identify and describe the role(s) of the personnel and units authorized to be involved in incentive compensation arrangements, identify the

³ 321 + 780 = 1,101.

source of significant risk-related inputs, establish appropriate controls governing these inputs to help ensure their integrity, and identify the individual(s) and unit(s) whose approval is necessary for the establishment or modification of incentive compensation arrangements; (ii) create and maintain sufficient documentation to permit an audit of the organization's processes for incentive compensation arrangements; (iii) have any material exceptions or adjustments to the incentive compensation arrangements established for senior executives approved and documented by its board of directors; and (iv) have its board of directors receive and review, on an annual or more frequent basis, an assessment by management of the effectiveness of the design and operation of the organization's incentive compensation system in providing risk taking incentives that are consistent with the organization's safety and soundness. There is no change in the substance or methodology of this information collection. The change in burden is due to a decrease in the estimated number of respondents. The burden hours decreased by 358 from 4,368 to 4,010.

Request for Comment

Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the FDIC's functions, including whether the information has practical utility; (b) the accuracy of the estimates of the burden of the information collection, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. All comments will become a matter of public record.

Dated at Washington, DC, on April 28, 2023.

James P. Sheesley,

Assistant Executive Secretary.

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